The additions that we do to the network we do A addition to a switch for trunks. Those trunks, then, are able to be used for IXCs, for CLECs, for wireless, for independent, or for Verizon's own needs. So in addition to a switching machine, when we do a trunk addition to a switching machine, it's pretty much putting it on their generic trunks that we then can use for meeting service demands for all of those different users.

What we then do in actual practice is after the capacity has been built, as service orders roll in, we then fill the service orders on a first come first serve basis, and we don't set a little hunk aside and say well, we are going to leave this customer capacity for customer A, and we're going to leave another hunk of capacity for customer B. The unit of administration itself is a switching machine, and we will add a singular hunk of capacity to the switching machine, and then the first come first service order demands are then what draw from and use that available capacity.

MR. MONROE: So, what you're really

testifying to is how you plan for the number of trunk ports you will have in a switch, not the number of trunks you will install.

MR. ALBERT: To me, these are the same two major things. The biggest lead time items are the additions we have to do to the switching machines so that we can hook the trunks up to the switching machines. So, for trying to do as good a job as we can for everybody so that in the perfect world we will have sufficient capacity in place to meet every order as it rolls in.

The basic way to do that is to have the aggregates and to provision to the aggregate demands. But it is the switch hooks on the switches that I'm talking about. That infrastructure--it's those capacity additions that take a long time once you run out to put in more.

MR. MONROE: You're talking about the trunk ports?

MR. ALBERT: Yes, on the switches, the switch hooks, trunk ports, trunks on the switches.

MS. CARPINO: Mr. Albert, does your first

come first serve policy apply to only those carriers that provide you with forecasts?

MR. ALBERT: No. I think--again, not being the lawyer, but I think we would get shot on a discrimination basis if we did something like that.

So, what we do in actual practice is we still do first come first serve from any person that orders. What it enables us to do is for those carriers that forecast, we think it enables us an aggregate for everybody to do a much better job than what we could do if we had no forecast and if we were all just totally shooting in the dark.

MR. MONROE: So, if I understand you correctly, WorldCom, along with some other carriers, but not the total universe of carriers that interconnect with you, will provide forecasts. You'll take those forecasts plus your own and come up with a total number of trunk ports that you're going to install on a given switch, and they may or may not be enough to cover even the forecasts of those carriers, let alone the carriers who didn't

give you a forecast; is that correct?

MR. ALBERT: Yeah. I mean, I would characterize it a little bit differently because I mean, your description of me sounded somewhat negative based on the job that we actually try and do. I mean, our basic goal is to always have enough capacity in place so that we never run out when a service order hits us, and we try to take every available input that we could get that would help us in doing that job. Those good inputs are information directly from the carriers, but then still we have to take that with a bunch of other factors and make our best engineering forecast judgment to the overall whole.

MR. MONROE: Now, WorldCom has agreed to give you a two-year forecast; is that correct?

MR. ALBERT: Yes.

MR. MONROE: And the way that would actually play out is it would be the current year plus one year of growth projection for the second year; is that correct?

MR. ALBERT: Well, I think what it would

actually be would be the exhibit that Cox passed around, that was the New York forecasting guidelines. I mean, that's basically current year, plus it takes a snapshot out two calendar years into the future. It's an eight quarter forecast.

I mean, that's what we are doing with you guys today.

MR. MONROE: Well, I think we are saying the same thing. I'm saying that WorldCom will give you the forecast for the next 24 months?

MR. ALBERT: Yes.

MR. MONROE: And I think you testified a minute ago when Mr. Harrington was examining you that you thought it was reasonable to put in one year's worth of trunks; is that correct? In other words, the number of trunks you anticipate needing for the next 12 months.

MR. ALBERT: Yeah, let me--being the goofy engineer that I am, let me get more precise than the way you described it. What I said was reasonable to size for a year is when we build the initial trunk group from the CLEC switch to our

access tandem for implementing initial interconnection in a LATA. What is reasonable and which we typically do on average is put in quantity that looks like a year's worth of capacity for that initial sizing of the trunk group.

MR. MONROE: But if we combine that with your recent testimony on what you do with forecasts, if WorldCom gives you a forecast for particular office for a hundred trunks for the next 12 months and a total of 150 trunks for the next 24 months, there's not even a guarantee from Verizon that those first hundred trunks will be available in the first year; is that correct?

MR. ALBERT: That's correct. I mean, what the forecast does is, it's your best view, your best judgment, what you think your demands will be. We then use that to try and do a better job than what we could have done without that information.

If you look at what you get in New York, again which we've rolled out everywhere from the collaborative in the (c)(2)(c) proceedings, there are reduced provisioning intervals that go along

with having provided a trunk forecast, so you get the provisioning intervals that apply for having done a trunk forecast as well as where we both mutually benefit is the added input helps us do a better job providing capacity than if we didn't have it.

MR. MONROE: We get an accelerated provision interval, but no guarantee that you will put them in at all; is that correct?

MR. ALBERT: No, I wouldn't phrase it that way. I mean, we do additions based on a forecast which includes your input. When you asked me do I do an addition for your specific 11, I guess what I'm saying is that's nonsensical, because we don't engineer and build the network that way.

MR. MONROE: Didn't you testify a minute ago that if we forecast a hundred trunks for the first year, that there's no guarantee that we will have those available to us in the first year?

MR. ALBERT: That's correct. When you give us a trunk forecast, there is no guarantee that the capacity is going to be there. I mean,

it's not a reservation process. We don't reserve capacity or we don't reserve facilities for any carriers. I mean, overall, it's a first come first served method of provisioning that we employ.

MS. FARROBA: Could I jump in with a clarifying question. Are these rolling forecasts that are done how often? Every quarter, half a year by the CLECs?

MR. ALBERT: It's twice a year. In the guidelines, in the Cox exhibit, that's a semi-annual forecast.

MS. FARROBA: So--

MR. ALBERT: Like August and February when they come rolling in the door.

MS. FARROBA: So, they could revise the forecasts up or down every six months?

MR. ALBERT: Yes. And there's some--I mean, we get them off-cycle too. We'll hit a carrier when something big changes and we don't say no, it's not August, you can't give us the forecast. I mean, we will take them at any time. That's because it's their best judgment, their best

view, and we will always use it, and we believe it does help us do the job better than if we didn't have it.

MR. MONROE: Is Verizon willing to pay any penalties to WorldCom if it doesn't have the trunks available that WorldCom forecasts?

MR. ALBERT: There are penalties in our performance assurance plans that revert back to trunk provisioning. Okay, that's the closest, I guess, that we come to what you're asking.

So, if you look at the performance assurance plan in New York, if you look at the one in Massachusetts, very similar. There are operational performance penalties that do apply for trunk ordering and that do for trunk provisioning and that also apply for trunk blocking.

MS. FARROBA: Let me ask a question about those performance measures. Do they exclude situations for lack of facilities? So that if you do not have facilities, those don't count in the performance measures?

MR. ALBERT: I think that varies from

metric to metric, and it gets quite metric-specific and definitional to what degree things are or are not counted.

MS. FARROBA: Where I'm going with it is that that may not necessarily be reflected in the performance data under the performance measures; that the fact that the trunks were not provisioned as requested isn't going to be reflected necessarily in the performance measures.

MR. ALBERT: I mean, I could answer you specifically for trunking. And when you get all the other, I mean, there are 10 billion measurements in this thing.

MS. FARROBA: I'm just referring to the interconnection trunk measures.

MR. ALBERT: For trunks, if they give us a trunk forecast, we are on the hook to make good intervals that go with that trunk forecast. And there are five or six different--there are five different categories that are in there; but for the most straightforward trunk addition, if they have forecasted it, and the way that it works, category

one has an interval of 18 business days for provisioning, and that's for additions to existing trunk groups and it's for additions between zero and 192 trunks for that category with the 18-day provisioning interval, if they forecasted it, come hell or high water, we are on the hook to have to meet it, and if we don't have facilities, we take a miss.

MS. FARROBA: So, lack of facilities is not excluded from that performance?

MR. ALBERT: That's correct.

MS. FARROBA: Okay.

MR. ALBERT: For trunks, for trunk provisioning for those category ones.

MR. MONROE: And I think your answer was related to New York and Massachusetts. I'm asking particularly for Virginia if Verizon is offering to pay penalties for failing to provision trunks that WorldCom forecasts.

MR. ALBERT: I thought I had heard that as part of this overall proceeding that the performance standards and performance assurance

plan were being addressed.

You guys probably all know better than I do, but if I had heard that they were, and my assumption is whatever falls out of that work would apply to Virginia.

MR. MONROE: Well, I guess I'm not sure if that answers or not.

MR. ALBERT: I'm not sure I know.

MR. MONROE: Well, you don't know if Verizon is willing to pay performance penalties in Virginia for trunk forecasting or for failing to install trunks?

MR. ALBERT: Well, I'm not the witness or the sponsor on the performance assurance plan. I mean, I know we've got requirements that fall out in the different individual states and different states of proceedings, and I know that it was going to be addressed here by the FCC. I know we have also got requirements that I think money kicks in from FCC merger agreements, but I'm just very superficially aware of a lot of the different mechanisms that currently exist that kick having to

pay performance monies as it relates to Virginia.

MR. MONROE: Okay.

MS. FAGLIONI: Just so there is no lack of clarify, that phase is coming; there is a schedule in place for performance metrics and assurance plan. What happens there happens there. Verizon doesn't waive its position or its rights. Mr. Albert I think has honestly testified as to what his understanding is of that status, his understanding of how it works in states where it happens, and he's I think accurately pointed to the merger, the Bell Atlantic merger conditions. He said they may or may not apply, but just so you're clear, that phase is coming. Verizon doesn't waive its right to its position in that phase.

MR. MONROE: As it stands today, you're not aware that Verizon is paying penalties for failure to provision trunks that were forecast in Virginia; is that correct?

MR. ALBERT: I just don't know.

MR. MONROE: All right. Do you know if Verizon wants WorldCom to pay penalties for

overforecasting trunks?

MR. ALBERT: I think we did, and then in negotiations we backed off of it.

MR. MONROE: So just to clarify, Verizon is no longer seeking penalties from WorldCom if WorldCom overforecasts trunks?

MR. ALBERT: I mean, your buddy sitting next to you is looking surprised. Hey, we've solved one.

What we had proposed in the rebuttal was that we would get off of the trunk penalties, if you guys would agree with the disconnect underutilized trunk groups once they got down below 60 percent. I thought we just had an exchange here where you would explain further to us what your 15 percent overhead meant on that issue, and I thought we were basically agreeing with each other on that issue. And so based on that, I would say forget the penalties.

MR. MONROE: All right.

MR. ALBERT: They're gone.

MR. MONROE: So, you're accepting now

Mr. Grieco's item six, I believe, if I'm correct.

MR. EDWARDS: Do you want to withdraw your cross-examination?

MR. MONROE: No, I think we have some other matters to deal with.

MR. ALBERT: Trunk penalties we surrender.

What we would like is to get the forecasts from the CLECs for the trunks in both directions. That will help us get the job better, that's what we really care about, and that's what's important, and forget the penalties because then you wouldn't give us a good forecast and then we couldn't do the job well.

MR. MONROE: I think WorldCom has already agreed to give you forecasts, so that should be behind us.

Let me read you item six of Mr. Grieco's testimony that originally you had disagreed with, and I'm thinking now you are saying you do accept it. I just want to clarify that.

It says if a forecast is agreed to by Verizon, and I understand you disagree with the

part about having to agree or disagree, the parties will examine trunks after 60 days. Trunks will be added if utilization is 80 percent or more, and trunks will be removed if utilization is 60 percent or less always leaving a 15 percent overhead.

Now, except for the part that you don't believe that Verizon should agree or disagree, you accept that item in Mr. Grieco's testimony?

MR. ALBERT: With the example that I thought you guys had sent to us of what 15 percent overhead meant, yes.

MR. MONROE: Okay. I have no more questions.

(Brief recess.)

CROSS-EXAMINATION

MS. SCHMIDT: I would like to go back to page 14 of Verizon's rebuttal testimony, which is marked as Verizon Exhibit 18. On this page you described steps that Verizon would follow to determine whether it should disconnect inbound trunk groups to AT&T?

In step four, you indicate that the

Verizon trunk engineer would call AT&T's trunk engineer to see if there are any unusual reasons why the trunk should not be disconnected, and then in step five you say that if the trunk should be disconnected, then Verizon would issue a disconnect ASR.

Now, step five does not mention a firm order confirmation. Is Verizon proposing to disconnect trunks even if it has not receive a confirmation?

MR. ALBERT: Yes.

MS. SCHMIDT: So, then if Verizon could disconnect trunks even if AT&T indicates that in its opinion, the trunk should not be disconnected; is that correct?

MR. ALBERT: Yeah. We are talking here about the trunk group that carries traffic from Verizon to AT&T, is the trunk group where we are responsible to pay performance penalties if blocking is experienced. It's the trunk group that Verizon is responsible to do the sizing and the timing and the trunk engineering for. We have got

the requirement that we have to provide interconnection and quality in the same way, in the same fashion as we do within our own network.

Based on that for that trunk group, we also believe that if it's extremely underutilized, and that if going through those interactions and communications that AT&T is still unwilling to do a disconnect, and after doing all those communications, is AT&T is still willing to do the disconnect, since we are on the hook to pay them money for it if we mess up, we believe that we still should be able, for that extreme underutilization to then disconnect trunks without AT&T having agreed to it.

MS. SCHMIDT: Isn't it a standard industry practice to wait for the receipt of a FOC?

MR. ALBERT: No.

MS. SCHMIDT: Why do you say that?

MR. ALBERT: Because that would imply that neither party would disconnect without having mutual agreement.

MS. SCHMIDT: Well, if you disconnect

without the receipt of a FOC, you could be disconnecting without mutual agreement; correct?

MR. ALBERT: That's correct.

MS. SCHMIDT: Okay.

And OBF guidelines, don't they generally support mutual agreement?

MR. ALBERT: No, the OBF guidelines which are used for the ordering and disconnecting of trunk groups, to me that's an extreme leap of extrapolation to say that when it comes to disconnecting trunk groups for which one carrier is responsible for that those guidelines mean there has to be mutual agreement by the two parties, so that's not my view of what the guidelines mean.

MS. SCHMIDT: Okay. Are the steps that you describe on page 14 set forth anywhere in your ICA language?

MR. ALBERT: I'm not real familiar with all the intricacies of the language we propose. I would suspect that they are not.

Do you want them to be?

MS. SCHMIDT: Not these particular ones,

but I was just looking for them, and I couldn't find them, and I wanted to make sure that they weren't somewhere.

MR. ALBERT: I mean, this is what we do.

MS. SCHMIDT: I understand, but they're not--my question is, they don't appear to be in the ICA, and your response is you don't think they are in there either.

MR. ALBERT: That's correct.

MS. SCHMIDT: Okay, thanks. That's all I have.

QUESTIONS FROM STAFF

MS. CARPINO: Let me just ask you a few questions related to these steps.

How quickly would you disconnect after issuing the ASR?

MR. ALBERT: Normally we would wait to get a confirmation back, and that's usually a couple of weeks.

MS. CARPINO: And if you don't, you disconnect after a few weeks?

MR. ALBERT: This is really here a

situation; we haven't had to push it.

MS. CARPINO: Okay. This is a theoretical process?

MR. ALBERT: Will we encounter it? I think that will because we are--in actuality, in Virginia we are getting extreme underutilization on trunk groups. There are some CLECs that we have been attempting to work with to do disconnects, and we have been encountering difficulties in getting their agreement.

MS. CARPINO: From an engineering perspective or a technical perspective, can you explain how underutilized trunks adversely affect your performance.

MR. ALBERT: Basically what it does is it inefficiently ties up capacity that could be used to provide service to other carriers. So, if--

MS. CARPINO: Go ahead.

MR. ALBERT: So, if you have an underutilized trunk group, that means that there is significantly more capacity there than what you need to provide the agreed-to level of service;

and, as a result of that, you are having inefficiently tying up and basically having dormant facilities and equipment that you could put into service back in the network to meet the demands and to meet the needs of other carriers and other customers to either improve their quality of service or to timely fulfill their orders.

So, when we get into cases where there are underutilizations, it affects, negatively impacts our ability to timely fulfill other trunk orders as well as to provide trunks to other carriers who are overutilized and who need more capacity.

MS. CARPINO: Which could affect the blockage?

MR. ALBERT: And we will have blocking occurring.

MS. SCARDINO: Mr. Monroe asked you a series of questions about if WorldCom forecasted a need for, say, 112 trunks, but Verizon instead provided them with, say, a hundred trunks, in practice is that a problem, as long as the blockage is under, I guess, you follow (B)(O)(1) in

Virginia? As long as it's under some threshold, is it even an issue if they don't get the forecasted 112 trunks?

MR. ALBERT: No. The critical factor is always what is your current operational performance. There are agreed-to engineering design standards for blocking that we had in the Interconnection Agreement. Basically those design standards are the same that we use for ourselves within our own network, and also what it means is if you have a 100 percent utilization on a trunk group, that on the surface, 100 percent, big number, sounds like things aren't good. But the way those numbers are derived is a hundred percent utilization basically means you have exactly the right amount of capacity in place to provide the designed level of service for the actual demand that you're experiencing.

And with the design algorithms we use for our trunks, the B005 blocking standard and in some standards based on the type of trunk group, the B.01 blocking standard, that unto itself is an

extremely minimal amount of trunk blocking. B005 would equate to one call out of 200 calls being blocked in the busy hour.

So, if--which is an extremely small level of blocking in totality if you look at it throughout the course of the day because it's designed to the busy hour.

So, if you run at hundred percent utilization, you are already, to a very stringent standard, still providing an acceptable and strong level of performance if you're operating at a hundred percent utilization.

So, if you dropped down to something like 60, you get a trunk group that's like the Maytag repairman, just waiting for the next call to come through.

MS. CARPINO: At what utilization level does Verizon Virginia operate its network?

MR. ALBERT: It bounces around based on season. I'd say on average we usually are in the 65 to 70 percent range. January and February we take a hit, and it goes up, just because calling